



FOR IMMEDIATE RELEASE

Contactless Data Prepares to Launch Xalis Mobile Commerce Network

Tucson, Arizona – December 28, 2010 – Contactless Data, a leader in Near Field Communication (NFC) technology-based applications, is preparing the nationwide rollout next year of its state-of-the-art mobile commerce platform, Xalis. The Xalis platform, also referred to as the Xalis Network will allow consumers equipped with NFC-enabled smart phones to transact more conveniently, securely and cost-effectively with merchants and issuers. Consumers will be able to download the Xalis Mobile Wallet application which features micropayment, remittance, loyalty and couponing capabilities. The version 1.2 of the software has been already ported to Oracle's Java ME, Google's Android and Apple's iPhone platforms. The Java ME version has been optimized to achieve maximum device-specific graphics performance on Nokia's Symbian, RIM's BlackBerry and Microsoft's Windows Mobile devices. The company is also completing the development of a native version of the Xalis Mobile Wallet for the new Microsoft Windows Phone 7 devices.

Stimulus for this announcement includes growing excitement earlier this month in the mobile industry around the release of the Samsung Nexus S mobile phone, which incorporates NFC technology. The availability of an embedded NFC chip, provided by NXP Semiconductors, in the phone, along with use of the latest Android operating system version 2.3, codenamed Gingerbread, will eventually allow Android phones to emulate contactless cards and more. For now, Google has not included an official smart card access API in the latest release of its mobile OS platform. Meanwhile, external accessories utilizing proprietary APIs allow Android devices and other smart phones such as the iPhone or the Blackberry to be NFC-enabled. It is worth noting that Apple and RIM are currently working on integrating NFC capability in their future devices. Nokia had also announced that its C7 phone device would receive a software update for supporting NFC next year. Microsoft, although quiet in the NFC space, has been making efforts in integrating NFC into its mobile platform since at least 2008.

With many more NFC-enabled devices slated for market next year, the industry has been also buzzing with the official announcement Nov. 16 of the mobile payments joint venture between AT&T Mobility, Verizon Wireless and T-Mobile USA, named ISIS. Contactless Data became aware of the joint venture existence earlier this year when it was approached by its officials for a Request for Proposal (RFP).

“We’re talking about it now because the joint venture has recently made its plans public,” said Ismaila Wane, founder and CTO of Contactless Data. “We invested considerable time and effort to educate them about our technology and the market requirements. We even disclosed some of our “secret sauce”. Then, after several meetings, they abruptly cut off all communication. We later unofficially learned from one of their consultants that ISIS decided to develop a from-scratch solution with other vendors.”

In contrast, Contactless Data has invested more than three years of development in its Xalis solution. “We took the time to understand and implement what issuers, merchants and consumers wanted,” said Wane of his company’s development efforts. “It’s frustrating when much larger companies sometimes use the RFP process to shop for information and overlook the sacrifices that startups make in order to innovate.”

He said Contactless Data has patents pending for key pieces of its technology. Documents filed in connection with the response to the RFP were copyrighted and are still subject to a mutual confidentiality agreement signed between the two companies.

“To say the least, we have demonstrated we are way ahead of the game in terms of our technology and understanding of the market,” Wane added. “We anticipated the arrival of NFC smart phones more than three years ago, so our platform is ready today. ISIS is likely not going to be fully ready within the next 12 to 18 months.”

The Xalis smart chip technology allows a mobile device user to store up to 16 closed-loop/private-label payment cards, 16 shopper loyalty cards, and 128 digital coupons. It includes a fast checkout technology at the point-of-sale requiring only less than 750 milliseconds to capture equivalent data for 1 payment card, 1 loyalty card, and 10 redeemed coupons. Contactless Data’s early tests have shown that the Xalis technology would make complex retail checkout transactions at least 16x faster, with enhanced accuracy.

Wane is confident that Xalis is well-positioned to be an open alternative to ISIS for issuers, merchants and consumers. The platform is also ideally suited to be used as a white-label solution by non-ISIS members such as Sprint, which left the joint venture, or tier-2 US mobile operators such as MetroPCS and U.S Cellular. It could also be licensed by third-party mobile commerce players worldwide.

“What we don’t have yet is the tens of millions of dollars that this joint venture has access to. But in terms of technology, we are way ahead of them.”

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About Contactless Data, Inc.

Founded in 2007, Contactless Data, Inc. is a leading IT company specializing in the applications of Near Field Communication (NFC) technology into our everyday lives. Contactless Data’s innovative NFC solutions include mobile commerce and healthcare applications. For more information, visit www.contactlessdata.com