

TagMaster, RICHOR and FTRD Sign Letter of Intent to Co-operate on New Mainline Rail Project in China

Stockholm, Sweden, 12 May 2011 - TagMaster, the leading producer of advanced RFID solutions, together with its Chinese Distributor RICHOR and FTRD, a technology supplier to the rail industry in China, have signed a Letter of Intent (LoI) which covers the joint development of an RFID system for use on mainline railways in China. The RFID system will form part of a new onboard warning system which will be used to improve train safety when passing temporary speed limits and work sections along the line.

The LoI defines how TagMaster, RICHOR and FTRD will jointly invest in the development of specific components which form part of the RFID system to be used for the onboard warning system. The hardware supplied by TagMaster will include these new parts as well as Heavy-duty RFID Readers and HD Tags.

The onboard warning system first underwent performance testing on a locomotive in China in 2010. Based on the success of these tests, a full scale trial has been approved by the Ministry of Rail in China. This trial will involve a fleet of locomotives being fitted with the new warning system during the second half of 2011. TagMaster expects equipment orders for the trial to be in place over the coming months.

Richard Holt, Director of Sales for Transportation at TagMaster AB, said: "We are proud to have signed this Letter of Intent with RICHOR and FTRD. We believe this new mainline project will contribute significantly to our transportation business in China over the coming years. The fact that these two companies are committing both financial and engineering resources to the project is a clear indication of their confidence in the long term potential of this project."

About TagMaster

TagMaster is a Swedish technology company founded 1994 with headquarters in Kista (Stockholm), Sweden. TagMaster designs and markets advanced long-range radio frequency identification (RFID) systems and information services associated with automatic vehicle identification, rail bound transportations and people access, in order to increase efficiency, security, convenience and to decrease environmental impact. TagMaster exports mainly to Europe, Asia and North America via global network of partners, systems integrators and distributors. TagMaster shares are traded on First North in Stockholm, Sweden. TagMaster's Certified Adviser is Remium AB. www.tagmaster.com

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