

TagMaster establishes growth plan and new financial targets

Kista, Stockholm 23 April 2008 - During the last three years, TagMaster has reported a negative result and the revenue growth has been below expectations. In order to take better advantage of the Company's potential, the new management team and the board have made a thorough analysis of the business. As a direct result of this, a restructuring process has been initiated in order to change from a technology-push into a market-pull focus, driven by the customers' demands. In addition, the board has agreed on a long-term strategy and growth plan for TagMaster, which includes new financial targets for the next three years. In order to implement this strategy and growth plan and to reach the targets, the company will need a capital injection. Therefore the board of directors proposes that the next annual general meeting resolves to authorise the board of directors to carry out a rights issue, with preferential right for existing shareholders.

Financial targets

The board's proposed target is that TagMaster reports an average yearly revenue growth of at least 25 percent during the next three years. Also that the profit margin should, within a period of three years, reach at least 10 percent and that the solidity should be at least 40 percent.

Strategy and growth plan

TagMaster's overall strategy is to transform the company from a technology based company, working within one specific frequency range, into a market oriented and customer oriented company, where marketing and channel management will become core competences. An extensive recruitment process will be needed to build these competence areas and to increase the company's market presence.

For some time, TagMaster has focused mainly on two application areas or business units; AVI (Automatic Vehicle Identification) and Transportation. In order to maintain its strong position in these segments of the market and to focus and optimise its resources, the company will introduce target applications. A target application can be seen as a part of a business segment. The purpose of narrowing down the addressed markets is to create conditions whereby the company can become a world class supplier within these chosen target applications. At the same time, TagMaster will also leave the current business unit structure and instead introduce a sales organisation with a geographical focus. The company will increase sales and R&D resources and address these target applications within automatic vehicle identification and also broaden the portfolio to include products for personal access. This growth will be made in those areas where the synergies between vehicle access and personal access are most obvious. Within Transportation, the company will focus on prioritised market segments, such as Metro and Light Rail.

In order to become an important supplier of products and systems to the company's existing and new partners, the product portfolio needs to expand. Therefore, TagMaster will enter the new frequency ranges that the market is requesting, through strategic alliances, purchase of products, new developments and/or acquisitions. Increased "share of wallet" per partner will enable a closer co-operation and thereby increase profitability. Today's limited understanding of the partners' end-customers disables the possibility to create a market focused company and to plan the business.

TagMaster will remain a product supplier to distributors, system integrators and OEM customers. The company's position in the value chain demands that the products and systems are easy to install, compatible and easy to access for partners, customers and suppliers. For this reason, factors such as interoperability, multi-functionality and standardisation will be of importance when integrating the company's products and systems to other closely related solutions.

TagMaster has a number of strategic partnerships within marketing, sales and product development. The company plans to increase its resources in this area, in order to intensify the co-operation with existing strategic partners, on a local and global basis. In addition, TagMaster will find new partners and increase the level of activity, in relation to the consolidating trend currently taking place within the RFID market.

In order to realise the growth plan and to reach the board of directors' financial targets, the company needs a capital injection. Therefore, the board of directors proposes that the next annual general

meeting resolves to authorise the board of directors to carry out a rights issue with preferential rights for existing shareholders. For more information regarding the new share issue, please see the separate press release.

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 identification. Application areas for TagMaster's products include Automatic Vehicle Identification (AVI), Transportation and Security. 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

For additional information, please contact:

*Christopher Grahn, CEO, TagMaster AB
Telephone: +46 8 632 1950
christopher.grahn@tagmaster.com*

*Kristian Hansen, CFO, TagMaster AB
Telephone: +46 8 632 1950
kristian.hansen@tagmaster.com*