

The board of directors of TagMaster AB proposes a rights issue with *preferential right*

Kista, Stockholm 23 April 2008 - TagMaster AB's ("TagMaster") board of directors proposes that the annual general meeting on the 23rd of May, 2008, resolves to authorize the board of directors to carry out a rights issue with preferential right for existing shareholders. The new issue is expected to raise SEK 25.8 millions

- Five (5) existing shares will carry an entitlement to subscribe for three (3) new shares. The issue price is SEK 1.20.
- Subscription period is between the 3rd and 18th of June 2008.

In purpose to ensure the company's short-term financing, including repayment of loans raised via bridge financing, and to render possible the long term plan of TagMaster, the company needs a capital increment. The board of directors has decided not to make use of the existing rights issue resolution from the annual general meeting of 2007, and instead propose the upcoming annual general meeting on the 23rd of May 2008, to carry out a rights issue in cash with preferential right for existing shareholders. The offering is expected to raise approximately SEK 25.8 millions prior to issue costs. The board of directors' ambition is that the rights issue shall be entirely or partly undertaken by subscription liaisons and/or underwritings. Further information will be distributed on the 9th of May at the latest, at the same time the board of directors' complete proposition will be available.

Terms and conditions for the rights issue

Five (5) existing shares will carry an entitlement to subscribe for three (3) new shares. Every held share on the record date will entitle to one subscription right. Five subscription rights will entitle to subscribe for three new shares for SEK 1.20 per share. TagMaster currently has 35 850 000 shares, entailing that a maximum of 21 510 000 new shares will be issued. The rights issue is expected to increase the company's share capital from SEK 3 585 000 to SEK 5 736 000. The offering is expected to raise approximately SEK 25.8 millions prior to issue costs.

Shares which are not taken up by existing shareholders shall be offered to the general public. The board of directors will decide upon allotment in the event of over-subscription.

Preliminary timetable

May 27	Last day TagMaster's shares trade including rights
May 28	TagMaster's shares trade ex-rights
May 30	Record date for participation in the rights issue, i.e. shareholders who are registered as owners on this day will receive subscription rights to participate in the rights issue.
June 3	First day for subscription and payment for new shares. First day for trading in subscription rights and paid subscription shares
June 13	Final day for trading in subscription rights
June 18	Final day for subscription and payment for new shares
June 25	Press release regarding preliminary take-up in the rights issue

Remium AB is TagMaster's financial adviser relating to the rights issue.

A prospectus will be sent to the shareholders and will be available in the company's head office and on its website on or about the 27th of May.

Remium AB is lead manager in this rights issue

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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