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**MagTek's MagneSafe™ technology – exceeds Visa's best practices
for data field encryption while combining all 5 emerging technologies highlighted at the
recent PCI conference**

*Retailers everywhere use MagneSafe technology to reduce the hassle
of protecting cardholder data*

Seal Beach, CA – October 12, 2009

MagTek®, Inc., a global leader in secure electronic payment technology, today announced that its MagneSafe technology, the industry's standard for Secure Card Reader Authenticators (SCRAs), meets and exceeds Visa's recently published best practices for data field encryption, also referred to as "end-to-end encryption" and is the only technology to combine all five of the "emerging technologies" identified by PricewaterhouseCoopers (PWC) in its report to PCI entitled: Emerging Technology Research.

PWC conducted 150 interviews with payment community participants and ultimately identified the following 5 emerging technologies: The first was Dynamic Payment Card Data. The second, Magnetic Stripe Imaging was described as an "Innovative solution...used for fraud reduction." The third was End-to-End encryption. The fourth, Tokenization, was described by PWC as a "robust technology" ...of substituting sensitive cardholder data with a unique, non-PCI relevant surrogate value." And fifth, Virtual terminals: an "online service that allows merchants to accept payment cards without a dedicated hardware terminal or point of sale system." MagTek's MagneSafe is the only technology solution, which combines the best of all the noteworthy emerging technologies offering a complete solution not only to protect cardholder data, but also to stop the use of counterfeit cards.

The first of two powerful features of MagneSafe technology is strong encryption of magnetic stripe data for tracks 1,2 and 3 using Triple DES encryption with DUKPT key management. This powerful encryption, based on open standards, along with its hassle-free yet highly secure key management process, protects cardholder data right from the moment of swipe such that the card data is never in the clear. This encryption scheme and its process for key management removes all need for merchants to manage keys, and it meets all of the 14 requirements recently cited by Visa providing merchants with an easy to implement and cost-effective alternative to other more proprietary products.

The second and possibly more important feature is MagneSafe's ability to use the existing magnetic stripe card, issued around the world, to generate Dynamic Payment Card Data with every swipe. This dynamic data is generated with no change to the card, the consumer and merchant's use of the card, and fits neatly in an ISO 8583 message packet. In its presentation, PricewaterhouseCoopers stated that Dynamic Payment Card Data **"has potential to eliminate the need for PCI DSS."** By introducing dynamic data to the transaction, MagneSafe arms merchants and processors with the ultimate fraud-fighting tool. It is static data that is so valuable to the criminals attacking our payment systems and it is this data MagTek is working so hard to protect. Dynamic data removes the future redemption value of stolen information and eliminates the criminal's incentive to steal it in the first place. Furthermore, the dynamic data can be used to identify the authenticity of a card in real-time, thereby stopping sniffed or skimmed cards from being accepted. "We have delivered tens of thousands of MagneSafe SCRA's to leading merchants in need of PCI compliance", said Annmarie D. (Mimi) Hart President/CEO of MagTek, "but the heart of our work is consumer protection and fraud elimination. That's the ultimate remedy. It will negate the need for compliance and give us back exceptional payment card security and convenience."


MagneSafe SCRA's are characterized by their ability to read and encrypt cardholder data at the earliest possible point, using industry standard algorithms and a distinct key per swipe, to mutually authenticate the reader and a legitimate host, to manage time bound sessions, to capture and transmit the dynamic digital identifiers of the card and the cardholder data, and to leave behind a unique token of the transaction. Look for the MagneSafe logo at the point of swipe. There is no stronger, more practical solution available today for consumer protection.

More information about MagTek's SCRA's can be found by visiting:
http://www.magtek.com/products/card_readers/magnesafe.asp

About MagTek

Since 1972, MagTek has been a leading manufacturer of electronic devices and systems for the reliable issuance, reading, transmission and security of cards, checks, PINs and other identification documents. Leading with innovation and engineering excellence, MagTek is known for quality and dependability. Its products include secure card readers, check scanners, PIN Pads and distributed credential issuing systems. These products are used worldwide by financial institutions, retailers, hotels, law enforcement agencies and other organizations to provide secure and efficient electronic payment and identification transactions.

Today, MagTek continues to innovate with the development of a new generation of security centric products secured by MagneSafe™. By leveraging strong encryption, secure tokenization and real time authentication, MagneSafe products enable users to assess and validate the trustworthiness of credentials used for online identification, payment processing, and other high-value electronic transactions.



MagTek is based in Seal Beach, California and has sales offices throughout the United States, Europe, and Asia, with independent distributors in over 40 countries. For more information, please visit www.magtek.com.

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