

Media Contacts:
Martin Payne
SkyeTek, Inc.
303.615.8019
Martin.Payne@skyetek.com

Jane Carpenter
Lois Paul & Partners
781.782.5740
skyetek@lpp.com



SkyeTek Closes 2006 with Triple-Digit Revenue Growth

Breakthroughs in Embedded RFID Reader Technology and Worldwide Channel Expansion Lead to Record Sales

Westminster, Colorado, January 22, 2007 – SkyeTek, Inc., the leading provider of embedded RFID reader technology, today reported record growth in 2006, capping a year in which the company introduced groundbreaking new HF and UHF reader modules and established a worldwide sales presence. Following the company’s most successful year to date, SkyeTek attributes its increasing momentum to a growing demand for intelligent, cost-efficient reader hardware and software that enhances the simplicity, safety, and security of products and processes across numerous vertical markets.

During 2006, SkyeTek achieved 144% growth in revenue bookings year-over-year, fueled in large part by ReaderWare software license sales which exceeded 50% of revenue this past year and will surpass 60% during 2007. SkyeTek also topped the 900-unit mark for developer kits and 50-win mark for production customers. SkyeTek’s Advanced Universal Reader Architecture (AURA) provided the industry’s first and only horizontal reader platform allowing customer wins in numerous applications including item-level inventory, field force automation, contactless payment, product authentication, homeland security, smart-appliance, and smart-display.

“SkyeTek’s strategy is to create a layer of commoditized reader hardware and simple, intelligent software that allows networked applications to transparently benefit from the increased visibility provided by RFID,” said Rob Balgley, CEO of SkyeTek. “This unique approach allows our customers to generate tremendous ROI based on top-line benefits. Conversely, other parts of the industry have found ROI to be elusive due to an RFID infrastructure that is difficult and expensive to integrate with existing applications.”

Beyond financial and customer growth, 2006 was an important year for SkyeTek in terms of product development and sales channel expansion. Highlights include:

- Introduction of AURA providing a common hardware and software layer that virtualizes underlying RFID tags, protocols, and frequencies making them transparent to applications.
- Launch of the following AURA-based products:
 - The M9 SkyeModule, the world’s smallest, least expensive, globally-compliant UHF RFID reader.
 - The M2 SkyeModule providing HF support for contactless payment, consumer loyalty, patron management, and product authentication.
 - ReaderWare Security that allows DoD-class encryption and hashing to be used with generic RFID tags.

Media Contacts:

Martin Payne
SkyeTek, Inc.
303.615.8019
Martin.Payne@skyetek.com

Jane Carpenter
Lois Paul & Partners
781.782.5740
skyetek@lpp.com



- ReaderWare Payments which provides contactless payment capabilities to existing POS terminals and coin-operated machinery.
- Two key hires to round out the executive team. Chris Turner joined the company as EVP of Sales and Business Development and Martin Payne was hired as EVP of Marketing and Strategy.
- Doubling of sales in Europe and Asia due to four new distribution agreements and a new European sales headquarters in Amsterdam, The Netherlands.
- Technology partnerships with several Fortune 500 customers including Zebra Technologies and Atmel.

About SkyeTek, Inc.

SkyeTek, Inc. develops reader technology that enables the pervasive adoption of RFID as an embedded feature in existing products. Customers use SkyeTek's technology to create new applications for their product lines in areas such as anti-counterfeiting, configuration management, consumables authentication, item-level inventory, patient safety, patron management, contactless payment, and mobile data collection. SkyeTek specifically designed AURA to serve as the multi-frequency, universal reader architecture for embedded RFID applications. AURA's common architecture disaggregates the RFID reader into a ReaderWare software layer, optimized for broad tag support, reader intelligence and easy application integration, and ReaderDNA hardware reference designs, crafted to optimize read range / performance while exploiting Moore's Law for gains in cost, space, and power efficiency. SkyeTek offers its AURA-based products as either a SkyeModule or ReaderWare license, which comes with access to ReaderDNA. Customers using SkyeTek represent numerous vertical markets and range from mid-market companies to Fortune 500 corporations. Based in Westminster, Colo., SkyeTek sells exclusively through OEMs, systems integrators, and distributors. For more information about SkyeTek, visit www.skyetek.com or call 720-565-0441.

###