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RFID Reader Provider SkyeTek Closes \$10 Million Series C Round

SkyeTek Driving Adoption of RFID as a Networking Technology

Westminster, Colo., July 25, 2007– SkyeTek, Inc., the leading provider of embedded RFID reader technology, today announced that it has secured a \$10 million Series C round of venture capital funding. Maryland-based Grotech Capital Group led the round with participation from TD Fund, based in Washington D.C., and existing investors Appian Ventures, Sequel Venture Partners, and Palomar Ventures. The funding will enable SkyeTek to expand its sales coverage, product development, and patent portfolio in making RFID a seamless IP networking technology.

“By investing in SkyeTek, we see an opportunity to continue moving RFID beyond supply chain to applications where it serves as the wireless technology that extends existing IT networks to physical items,” said Joe Zell, Grotech General Partner and new SkyeTek Board Member. “SkyeTek is the thought and market leader in making RFID a networking technology as evidenced by its impressive number of production wins where customers are using its technology to improve demand visibility and augment product authentication measures.”

SkyeTek delivers robust security, policy management, and an intuitive API on an inexpensive reader platform that extends the edge of existing networks to goods and assets. This approach to RFID creates a single technology platform that enables high-ROI applications in asset tracking, item-level inventory management, product authentication, access control, and patron management. SkyeTek has over 60 production customers in several vertical markets including consumer products, healthcare, hospitality, industrial equipment, and IT.

“SkyeTek has experienced three consecutive record-breaking quarters driven by robust demand for its intelligent firmware / software and inexpensive reader hardware,” said Rob Balgley, CEO of SkyeTek. “With our market thesis proven, we will expedite expansion plans now that this round of financing is complete. These funds will enable us to extend sales coverage and accelerate product development further augmenting our high-ROI solutions and increasing our lead in target markets.”

SkyeTek offers its technology to OEM customers as a complete embedded RFID solution, which includes software, hardware, and professional services, or on software license basis. ReaderWare licensing provides the additional benefit of access to ReaderDNA reference designs, allowing OEMs to integrate the technology directly into their product design and realize 40 to 70 percent cost savings versus a typical reader module. SkyeTek has developed a global partner network to distribute and support its product portfolio. Partners include Mouser Electronics, Sobal, Hangzhou Ziytek, and

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Meshed Systems – for a full list of SkyeTek channel partners, please visit:
<http://www.skyetek.com/Company/Partners/ChannelPartners/tabid/346/Default.aspx>.

About SkyeTek, Inc.

SkyeTek, Inc. develops reader hardware and software that enables the pervasive adoption of RFID as intelligent networking technology. Numerous Fortune 500 and mid-market customers use SkyeTek's products in applications such as item-level inventory, product authentication, access control, and patron management. In addition to selling SkyeModule readers, SkyeTek licenses ReaderWare software which allows customers to save 40 – 70% compared to the price of common reader modules available in the market today. Based in Westminster, Colo., SkyeTek sells exclusively through OEMs, systems integrators, and distributors. For more information, visit www.skyetek.com or call 720-565-0441.

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