



NEWS RELEASE

DYNA GROUP LAUNCHES OPEN LANE ELECTRONIC TOLLING SOLUTION BASED ON IPICO'S IP-X TECHNOLOGY

This new approach to Automated Vehicle Identification may become the new global standard for Electronic Tolling

Burlington, ON, Canada – **August 18, 2006:** IPICO Inc. (TSX-V: RFD) and its partner Dyna Group (www.dynagroup.com.ar) are pleased to announce that a system used for automated free-lane toll collection has been successfully launched in the Neuquen Province of Argentina. This is the first system in South America to utilise passive RFID for automated vehicle identification (AVI) as part of open lane tolling systems.

The use of passive RFID in open lane tolling systems holds the potential to revolutionize the global tolling industry. Passive tags come at a fraction of the cost of the active tags that are currently still used in almost all open lane tolling systems. While drivers using of open lanes pay up to US\$50 for their active RFID tokens, the use of passive RFID can eventually reduce the cost of entry to participate in such schemes to a dollar or less. This is of crucial importance to the developing world, where mega-cities increasingly plagued by traffic congestion, combined with a population that cannot afford active RFID systems, is creating nightmares for traffic authorities.

IPICO started working on its passive RFID AVI solution several years ago – the success testing of its IP-X based vehicle spotting solution was first announced more than 2 years ago¹. This breakthrough technology, which allows the reliable identification of cars travelling at speeds of up to 300 km/h in dense traffic environments, is being targeted at a number of applications requiring the identification of high speed items, AVI being one of the most promising mark.

Dyna Group is the first value-added reseller of IPICO to successfully deploy an operational tolling system based on the IP-X technology. The announcement of this success story is therefore regarded as a huge breakthrough into a market that is expected to eventually also include the electronic licensing of vehicles. The IP-X based system designed and installed by Dyna Group uses UHF passive RFID readers and tags operating in the regulated 902 – 928 MHz band; this system is replacing the previous active RFID system that was based on Combitech Premid technology.

¹ IPICO News Release of August 2, 2004: "iPICO LAUNCHES ELECTRONIC NUMBER PLATE (ENP) SOLUTION"

Currently both systems are running in parallel without mutual interference, allowing smooth switch over from the previous generation of technology to the new concept.

The Dyna Group operating system offers post and prepaid services, at a passing speed of 20/30km/h with no stop. Once the system has switched over completely to the IPICO technology, higher passing speeds will be possible. The key success of the project has been the low cost of readers and tags compared with active technologies, as well as the quality of the reading event, achieving 100% for standard windscreen tags. For a small fraction of cars using a non-standard RF window in the windscreen the placement of the tag is currently adjusted – once IPICO has completed the development of its latest version of ENP (electronic number plate) IP-X tags, it will be possible to fit all cars with a standard tag placed behind the rear-view mirror.

At this stage more than 2,500 tags are being used daily with the complete satisfaction of end-users, validating the successful operation of this powerful concept. Each day more tags are added as new end-users are registered - it is expected that the complete portfolio of 15,000 active tags will be replaced by the IPICO passive version before the end of 2007. The next phase will be to extend this concept to other highways in the region, such as “CAMINOS DEL COMAHUE“, in the process multiplying the number of tags and lines required to operate the system.

While open lane tolling is expected extend the global AVI market to tens of millions of vehicles, the long term goal with the use of this technology is the electronic licensing of all vehicles using public roads. The transportation and law-enforcement authorities in many developing countries are currently investigating passive RFID based licensing schemes to not only improve the management of traffic systems and road utilisation, but even more importantly to combat crime. Investigations have shown that in the developing world more than 10% of all vehicles on the roads are illegal. It is also a well-known fact that most serious crime is committed using illegal vehicles. An AVI system covering all public roads and that is compulsory for all vehicles will curb a variety of crimes, including vehicle theft, cash-in-transit heists and the evasion of customs and duties at border posts. This pervasive concept requires a nation-wide system deployed on all major roads, using a low cost technique to reliably identify any type of vehicle at any speed of travel. The successful deployment of the Dyna Group system adds further practical evidence to demonstrate that this vision is fast turning into reality, with countries like Argentina, Brazil, Mexico, Pakistan, China and South Africa well down the road towards the deployment of nation-wide passive RFID based AVI systems.

ABOUT IPICO INC.: IPICO is an RFID and global visible commerce supply-chain solution supplier with operations in the USA, South Africa, Europe, Asia and Australia. IPICO produces smart labels and tags based on the *IP-XTM* communication protocol. IPICO's low interference readers comply with regulatory requirements in major geographical regions, and allow for multi-reader rollout in close proximity. The IPICO *DIMITM* middleware platform manages applications in large-scale, distributed systems, while the *DIMITM* data and connectivity architecture allows for effective device management, data switching and data security. IPICO's low cost RFID products excel at long read range, fast multi-read anti-collision and high thru-beam read-speeds of dynamic tag populations. Beyond athletes tracking, these products are

used to optimize the management of items, people, animals and processes within the logistic supply chain and other values chains.

ABOUT DYNA GROUP INC.: TBD

For further information, go to www.dynagroup.com.ar or <http://www.ipico.com>.

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