



VeriFone Introduces VeriShield Protect: Newest VeriFone Security Offering to Utilize Semtek's Hidden Triple DES™ and CDMS™ Technology

SAN DIEGO, CA - April 9, 2008 - Semtek Innovative Solutions Corporation announced today that VeriFone (NYSE: PAY) has introduced VeriShield Protect™, a new security platform based on Semtek's Hidden Triple DES™ (HTDes™) encryption technology. Another Semtek innovation, Cipher Device Metrics Services™ (CDMS™), which provides real-time security monitoring of sensitive cardholder data from the moment the payment card is "swiped", will be paired with Hidden Triple Des encryption to provide merchants end-to-end security for payment card data.

"This major security initiative is the first harvest of our technology collaboration with VeriFone, noted Patrick Hazel, Chief Executive Officer of Semtek. "VeriFone will be ideally positioned with this technology to help its merchant clients deal with the epidemic of payment card data breaches that are now constantly in the news."

Hidden Triples DES is a proprietary encryption methodology based on Triple DES encryption that secures sensitive cardholder data at the moment the payment card is swiped in a VeriFone terminal. This payment card data is then converted into an encrypted data stream that appears to be normal card data to the merchant's systems. Since the cardholder data that the merchant receives with HTDes is not real cardholder data, but only a representation of the real data, there is no value in the card data even if stolen.

CDMS is an innovative, real-time security monitoring system that provides continuous monitoring of the merchant's card holder data on a per-transaction basis and provides real-time alerts to the merchant if the system is compromised in any way.

"CDMS is designed to resolve the two most damaging shortcomings of conventional security monitoring that takes place in the retail world today, noted Mr. Hazel. First, CDMS is a continuous system. Unlike security audits - which take a "snapshot" of security - CDMS is always on and always monitoring. Second, CDMS is designed to shorten the amount of time between the moment when a breach occurs and when it is discovered by the merchant. The delay in discovery may be the most damaging dynamic in any data breach. CDMS is designed to eliminate that dangerous gap."

VeriFone's press announcement regarding HTDes and CDMS is included at the end of this release.

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About Semtek Innovative Solutions Corporation (www.semtek.com)

Semtek Innovative Technologies Corporation has been a leader in magnetics technology since 1999, serving large public and private sector customers who require secure data capture components for their fixed-base and wireless devices. Specializing in small form-factor data capture devices in magnetic stripe, smart-card, RFID, and biometrics, Semtek is a key OEM partner for some of the largest providers of enterprise wireless gear worldwide. Semtek is headquartered in San Diego, California.

About VeriFone Holdings, Inc. (www.verifone.com)

VeriFone Holdings, Inc. ("VeriFone") (NYSE: PAY) is the global leader in secure electronic payment solutions. VeriFone provides expertise, solutions and services that add value to the point of sale with merchant-operated, consumer-facing and self-service payment systems for the financial, retail, hospitality, petroleum, government and healthcare vertical markets. VeriFone solutions are designed to meet the needs of merchants, processors and acquirers in developed and emerging economies worldwide.



VeriFone Introduces VeriShield Protect: Secures Consumer Card Data Even When Retailer Systems Are Breached

- PCI PED-Approved Hardware Security Module Encrypts Account Numbers during Card Swipe
- Protects 'Data in Transit' over Networks as well as 'Data at Rest'
- No Changes Required to most Merchants' POS or Enterprise Applications

SAN JOSE, CA - April 9, 2008 - VeriFone Holdings, Inc. (NYSE: PAY) today introduced VeriShield Protect, a system designed to thwart continuing criminal efforts to gather unencrypted account holder data via breaches of merchant networks, applications and servers that come in contact with consumer credit and debit card information.

VeriShield Protect was developed to prevent compromise of cardholder data even in the event of a breach. VeriShield Protect shields credit and debit account information from the moment a card is swiped until the data is received at a secure decryption appliance located in a merchant's secure data center, at an off-site service provider, or at an acquirer or processor organization.

Criminals have captured cardholder information despite merchant attempts to comply with industry mandates, such as PCI-DSS (Payment Card Industry-Data Security Standard), which require periodic security audits. The retailer environment is often too complex to be completely locked down against all intruders and it is unrealistic to expect merchants to maintain constant vigilance over every access point and every location where data is stored or transported.

"Data compromises continue to demonstrate that a focus on end-to-end protection of customer data – not simply on compliance with the PCI-DSS standard – is critical for merchants and other card-industry stakeholders," said Avivah Litan, vice president and distinguished analyst with Gartner, Inc.

The VeriShield Protect system employs a breakthrough technology called H-TDES™ (Hidden-Triple Data Encryption Standard) to encrypt the personal account number (PAN) and magnetic-stripe track data in a manner that other applications interpret as valid card data. The data is encrypted within the tamper resistant security modules of VeriFone's PCI PED-approved payment systems so that it can safely be transmitted over retailer networks to a centralized secure decryption appliance from Semtek Innovative Solutions Corporation., the developer of H-TDES™.

“Today’s PCI PED payment systems use highly evolved hardware encryption to secure PINS before they enter the merchant’s POS system. VeriShield similarly affords encryption protection to cardholder account information to proactively protect consumers and remove the risk of exposure within the retailer’s enterprise,” said Paul Rasori, VeriFone vice president of Global Product Marketing. “Because VeriShield Protect should require no changes to their applications, merchants can adopt this solution right away and keep their POS applications, networks or enterprise databases free of consumer data that criminals target.”

The VeriShield Protect solution also incorporates access to a Cipher Device Metrics Server™ (CDMS™) that provides a real-time status and alert system to monitor compliance of each and every transaction as it occurs.

VeriShield Protect is available immediately on the MX800 Series platform, and will be available on V^x Solutions products beginning later this year. VeriShield Protect is also available as a secure hosted service.

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Additional Resources:

www.verifone.com/verishield-protect

Hidden Triple DES™ (H-TDES), Cipher Device Metrics Server, and CDMS are trademarks of Semtek Innovative Solutions Corporation.

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