



## ValidSoft CEO Predicts Strong Year in 2012

With Its Class-Leading Telecommunications-Based Technologies, Elephant Talk Communications' Subsidiary Is Poised to Take Advantage of Mobile-Based Payment and Banking Trends, Says ValidSoft CEO Patrick Carroll

LONDON - (12/28/11) - **ValidSoft**, a global supplier of telecommunications-based fraud prevention solutions ([www.validsoft.com](http://www.validsoft.com)), today announced CEO Patrick Carroll's outlook for 2012. ValidSoft, a subsidiary of **Elephant Talk Communications Corp. (AMEX: ETAK)** ([www.elephanttalk.com](http://www.elephanttalk.com)), is perfectly positioned to capitalize on both key industry trends as well as emerging security threats, said Carroll: "We see 2012 as being a big year for us."

2011 has seen major initiatives and announcements globally around the ongoing exploitation of the mobile phone and smart-phone as a convergence device for payments and banking. M-banking, mobile payments, the mobile wallet and NFC are all technologies where individual entrants and consortiums are fighting for market acceptance, let alone dominance. Whilst competing technologies and strategies abound, the delivery platform remains constant.

A new report by Barclays Corporate, for instance, predicts that consumer spending using mobile devices will jump 15-fold in the next decade, while Gartner foresees more than \$429 billion of mobile banking transactions by 2015.

At the same time, 2011 has also seen a large increase in attacks aimed at the mobile phone, including phone-resident Trojans aimed squarely at the smart-phone as well as the relatively new concept of Pseudo Device Theft, including SIM Swap fraud. The latter is already proving to be a potentially huge target for fraudsters, as the rewards on offer are massive.

Card fraud remains a huge problem, with actual losses and the cost of fraud prevention, namely fraud operational costs, lost interchange revenue and disgruntled customers being a major cost item for banks.

These trends mean that payment and banking security technology is more vital than ever. For the expected explosion in the use of mobile devices for banking, payments and

wallets to become a reality, a major requirement is that consumers, banks, and retailers have faith that these transactions are safe and secure.

### **In the sweet spot**

Based on this outlook, we believe ValidSoft's products are very much in the sweet spot. All of ValidSoft's security solutions are based on real-time telecommunications, primarily using a mobile phone. Whether transacting over traditional channels, such as Internet and Telephone banking, ATM or Point-of-Sale, or over the emerging channels, such as M-banking or mobile wallet, only the mobile device will be required for providing security, both visible and invisible, regardless of whether that device is securing a secondary payment channel or is itself the payment channel.

"We believe we have the most advanced solutions for all of today's and tomorrow's security problems," explained Carroll.

### **Three-track strategy**

ValidSoft has also honed its strategy for bringing the products to market, which is expected to result in significant revenues for ValidSoft in 2012, predicted Carroll. The approach has three major prongs:

Firstly, ValidSoft will commence their joint rollout with their strategic partner Adeptra, the world's leading automated communications company for servicing, fraud-processing, marketing and collections, in offering ValidSoft's solutions around SIM Swap and card-present fraud.

Secondly, ValidSoft is positioned to provide the security technology that will enable the use of mobile-banking, mobile payments and mobile-wallets to take off in a secure fashion, Carroll said. "That market leverages everything that we are doing and should provide major long term growth for us," he said. "We expect to be working with some major providers in 2012."

Thirdly, ValidSoft will look to concentrate on the roll-out strategy for VALid-POS, the card-present fraud prevention solution. "We have now proven the efficacy of this product in a number of trials around the world, and have generated a lot of interest in the product from many issuing banks. We will focus on delivery of the service in 2012," said Carroll.

### **About Elephant Talk Communications**

Elephant Talk Communications Corp. (AMEX: ETAK) is an international provider of business software and services to the telecommunications and financial services industry. The company enables both mobile carriers and virtual operators to offer a full

suite of products, delivery platforms, support services, superior industry expertise and high quality customer service without substantial upfront investments from clients. Elephant Talk provides global telecommunication companies, mobile network operators, banks, supermarkets, consumer product companies, media firms, and other businesses a full suite of products and services that enables them to fully provide telecom services as part of their business offerings. The company offers various dynamic products that include remote health care, credit card fraud prevention, mobile internet ID security, multi-country discounted phone services, loyalty management services, and a whole range of other emerging customized mobile services. For more information, visit ([www.elephanttalk.com](http://www.elephanttalk.com)).

### **About ValidSoft**

ValidSoft is a subsidiary of Elephant Talk Communications Corp. (AMEX: ETAK), ([www.elephanttalk.com](http://www.elephanttalk.com)) and is a market leader in providing solutions to counter electronic fraud relating to card, the internet, and telephone channels. ValidSoft's solutions are at the cutting edge of the market and are used to verify the authenticity of both parties to a transaction (Mutual Authentication), and the integrity of the transaction itself (Transaction Verification) for the mass market, in a highly cost effective and secure manner, yet easy to use and intuitive. For more information, please visit ([www.validsoft.com](http://www.validsoft.com)).

### **Forward-Looking Statements**

Certain statements contained herein constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements may include, without limitation, statements with respect to the Company's plans and objectives, projections, expectations and intentions. These forward-looking statements are based on current expectations, estimates and projections about the Company's industry, management's beliefs and certain assumptions made by management. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Because such statements involve risks and uncertainties, the actual results and performance of the Company may differ materially from the results expressed or implied by such forward-looking statements. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Unless otherwise required by law, the Company also disclaims any obligation to update its view of any such risks or uncertainties or to announce publicly the result of any revisions to the forward-looking statements made here. Additional information concerning certain risks and uncertainties that could cause actual results to differ materially from that projected or suggested is contained in the Company's filings with the Securities and Exchange Commission ("SEC"), copies of which are available from the SEC or may be obtained upon request from the Company.

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