

# **Elephant Talk Subsidiary, ValidSoft, Receives First Ever Awarded European Privacy Seal to a Security Solutions Provider**

## **Certification Puts ValidSoft in Prime Position to Offer Financial and Telecom Companies Compliance with European Data Protection and Privacy Law**

SCHIPHOL, THE NETHERLANDS--(04/21/10) - Elephant Talk Communications, Inc. (OTC.BB:[ETAK](#)), a leader in telecommunications business software innovation and services, today announced that ValidSoft Limited, a subsidiary of Elephant Talk specializing in preventing card and internet banking fraud, has been granted the European Privacy Seal in regards to its anti-fraud technology software, VALid-POS®. The privacy seal guarantees compliance with European data protection and data privacy legislation regulations. ValidSoft is the first security software company in the world to receive the privacy seal. The awarding of the seal places ValidSoft in a position to provide legitimate and compliant services for the prevention of card fraud worldwide.

ValidSoft's anti-fraud technology, known as VALid-POS® combats both cross-border and domestic card present fraud, covering both Point-of-Sale and ATM devices. The technology works by establishing whether a transaction is authentic based on customer and transaction proximity, without tracking the individual. ValidSoft's patent pending solution not only reduces false-positive card declines (situations where legitimate credit card transactions are denied) by as much as 95%, it also detects fraudulent transactions in real-time. VALid-POS® automated solution is invisible to the card user and takes less than half a second to advise the bank.

The EuroPriSe European Privacy Seal certifies that IT products are privacy compliant with European data protection regulations. The award offers a transparent European privacy certificate that fosters consumer protection & civil rights, trust in IT, and privacy by marketing mechanisms. The certificate aims to facilitate an increase of market transparency for privacy relevant products and an enlargement of the market for Privacy Enhancing Technologies and finally an increase of trust in IT.

"Elephant Talk's goal is to identify and eliminate credit & debit card fraud without having to track the location of individuals," said Steven van der Velden, Chief Executive Officer of Elephant Talk Communications. "We are not aware of any other company in the world that can do this in an anonymous and privacy compliant manner. Our offering provides users with the strongest anti-fraud technology on the market, while at the same time providing them the utmost privacy. We believe that receiving this verification from an independent third party will allow us to move forward as we commercialize this technology with global banks and financial institutions on a large scale."

Card fraud continues to pose a major world-wide problem for issuing banks, costing approximately \$100 billion globally. These figures also mask the costs associated with managing the false-positives. False-positives are the transactions blocked by the banks that are actually legitimate. ValidSoft's research shows that the vast majority of blocked transactions are false-positives and if banks are to improve the experience for their customers, and reduce their operating costs then the banks need to address this issue.

To enable the solution to provide this leading edge technology, the telecommunications is provided by ValidSoft's parent company, Elephant Talk Communications, Inc. The award of the European Privacy Seal is equally important to the Mobile Network companies to ensure that the use of the data to provide the proximity of the mobile phone to the card transaction has to meet similar stringent rules regarding data protection and privacy.

"Our organization is pleased to provide an independent evaluation confirming that VALid-POS® provides banking customers complete privacy during the process," stated, Kirsten Bock, Head of EuroPriSe at ULD. "In order to be awarded the Seal, VALid-POS® had to be assessed on its fulfillment of a range of detailed requirements including data avoidance and minimization, transparency, compliance with data protection, and technical organization measures. To date, no other security solutions provider has been able to obtain this difficult approval."

Pat Carroll, CEO of ValidSoft, said, "We believe VALid-POS® will become the de-facto standard for card fraud and false positive prevention. Our customers and mobile network operators can have complete confidence that implementations are totally compliant with European Data Protection and Data Privacy legislation. Consumers should be pleased that ValidSoft's software not only prevents financial transaction fraud but remains in compliance with all privacy laws throughout Europe. Failure to comply with this legislation could have serious negative consequences for institutions and mobile network operators."

#### **About EuroPriSe**

*EuroPriSe* is an initiative led by the Unabhaengiges Landeszentrum fuer Datenschutz (Independent Centre for Privacy Protection, ULD), Germany. EuroPriSe was funded with 1.3 million Euro by the European Commission's eTEN program. The EuroPriSe project consortium led by ULD included partners from eight European countries: the data protection authorities from Madrid (Agencia de Proteccion de Datos de la Comunidad de Madrid, APDCM), and France (Commission Nationale de l'Informatique et de Libertes, CNIL), the Austrian Academy of Science, London Metropolitan University from the UK, Borking Consultancy from the Netherlands, Ernst and Young AB from Sweden, TUEV Informationstechnik GmbH from Germany, and VaF s.r.o. from Slovakia.

<http://www.european-privacy-seal.eu/>

#### **About ValidSoft**

*ValidSoft*, a member of Elephant Talk Communications, Inc. (OTC.BB:[ETAK](#)), 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 consumers and institutions (Mutual Authentication), and the integrity of transactions (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 <http://www.validsoft.com/>.

#### **About Elephant Talk Communications**

Elephant Talk Communications, Inc. is a leader in telecommunications business software innovation and services. 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: <http://www.elephanttalk.com/>.

### **Forward-Looking Statements**

Certain statements contained herein constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations, estimates and projections about the Elephant Talk'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. Such statements involve risks and uncertainties, therefore the actual results and performance of Elephant Talk 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, Elephant Talk 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; however, readers should review carefully reports or documents Elephant Talk files periodically with the Securities and Exchange Commission.