

PRESS RELEASE  
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## AbsoluteSKY Forms Winning Partnerships to Deliver Item-Level RFID Tracking

MONTREAL, OCTOBER 26, 2006 – AbsoluteSKY's (OTO:ABSY) recently-announced strategic partnerships place the Company in a prime position to capture a significant share of the burgeoning retail Radio Frequency Identification (RFID) market. Global RFID spending is estimated to reach \$6 billion worldwide by 2010. AbsoluteSKY's (www.AbsoluteSKY.ca) recent deal with IBM Global Financing, the lending division of IBM (NYSE:IBM), will provide financing options to end users of AbsoluteSKY's proprietary intelliTRACKER™ product suite to enable more retailers to quickly implement item-level RFID tracking.

The agreement with IBM Global Financing followed on the heels of the Company's strategic reseller agreements with Fujitsu Transaction Solutions and Universal Surveillance Systems to offer the intelliTRACKER™ product suite to their extensive base of current and prospective retail customers. "With Fujitsu and Universal, we are first-to-market with a breakthrough solution that delivers significant benefits and a clear ROI to the specialty retailer, as well as the ability to meaningfully and fundamentally improve day-to-day operations," said John Frabasile, President and CEO of AbsoluteSKY. "Our agreement with IBM substantially builds our value proposition for specialty retail clients. IBM has a preeminent presence and track record in global financing for retail customers. By working closely with IBM, we can simplify and tailor the financing process while providing a range of attractive, affordable financing options. There's no question that this will dramatically shorten the sales cycle."

AbsoluteSKY's intelliTRACKER™ product suite is an RFID-based hardware and software solution that integrates several technologies to provide retailers with real-time, item-level inventory tracking through the supply chain. intelliTRACKER™ delivers a range of cutting-edge features, including the ability to increase inventory turns, virtually eliminate missed sales, cut labor costs, and gain extensive real-time control over loss prevention.

Indeed, AbsoluteSKY's item-level RFID tracking represents a transformational technology that is becoming an imperative in the retail industry. According to a 2005 survey of retail managers conducted by AMR Research, Boston, 42% of respondents said that item-level tagging would be one of their organization's most strategically important technical investments over the next 12 to 24 months.

Concluded Frabasile, "The momentum for our intelliTRACKER™ product suite is clearly increasing. Our strategic partnerships with IBM, Fujitsu, Universal and others, along with our leading edge technologies, place us several years ahead of the market."

## About AbsoluteSKY, Inc.

AbsoluteSKY, Inc. (OTO:ABSY) specializes in the design, development and implementation of Radio Frequency Identification (RFID) technology that provides real-time item-level inventory tracking for retail customers. Based in Montreal, Canada, the Company's business model combines strategic, creative and technical skills to deliver solutions that help its clients achieve their business objectives through the use of AbsoluteSKY's breakthrough technology and extensive knowledge of their business operations. For more information visit: [www.AbsoluteSKY.ca](http://www.AbsoluteSKY.ca).