

Update Bulletin

Hypercom Special Opportunity with L4100 EOL

August 29, 2007

As you likely know, Hypercom will be replacing the L4100 product with a new L4150 series of electronic payment terminals later this year. Hypercom has provided a formal end-of-life notice for the L4100 – attached to this Bulletin. But the EOL brings great dealer pricing for the L4100.

The L4100 is PED compliant and provides security features to erase its encryption key in case of physical tampering. The L4100 does not support the latest PCI physical security mandates however, and therefore will not be sold after 2007. The following EOL dates apply:

- **Sunset/removal/de-install dates for units in stores** – none: the worst-case earliest date that could be set at this point would be some time in 2012 or 2013.
- **Repair support from Hypercom** – through 2012 (see next page for support details)
- **Standard availability from StoreNext** – through September 28, 2007
- **Extended availability from StoreNext (see below)** – through December 28, 2007
- **Final sale/ship date from StoreNext** – December 28, 2007

EXTENDED AVAILABILITY WINDOW

StoreNext and Hypercom will make best efforts to fill dealer orders in an “Extended Availability Window” during October, November and December. But to build sufficient quantity we need an estimate of how many you need. Dealer-owners are asked to provide the following information before the end of September:

- **Non-Binding Forecast** – your best estimate of your L4100 requirements in October, November and December by type. StoreNext and Hypercom will use these estimates to guide product build quantities and schedules, and dealers providing these estimates will enjoy priority for the available stock. Please understand that we intend to have zero units left over at the end of the year, so receiving the quantity you estimate is not guaranteed. Please [click here to get the Hypercom forecast sheet in Excel](#) and e-mail it to avanseventer@storenext.com. Thanks.
- **Orders** – dealers wishing to lock in *ensured* delivery of L4100 terminals during the Extended Availability Window need to enter non-cancellable orders by the end of September. StoreNext believes that we can fill all such orders. The requested delivery date must be in October or November – all shipments of these orders will be complete on or before December 1. **All such orders should be placed with StoreNext Order Entry.**

The additional technology mandated by PCI suggests that the upcoming L4150's prices will be at least at the level of the original L4100 dealer cost and perhaps higher. So dealers need to take advantage of the current outstanding prices for L4100s while time permits. Of course we'll do our best, but StoreNext cannot make any promises regarding non-forecasted, non-committed “catch-as-catch-can” orders during the Extended Availability Window.

To Your Success,



Antony van Severter

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HYPERCOM CORPORATION

2851 West Kathleen Road
Phoenix, Arizona 85053

August 28th, 2007

End of Life Notice Regarding:

Optimum L4100 & L4105 terminals

To our Valued Customers and Partners,

As part of our continued focus toward providing our customers and partners the highest level of service, quality and security, Hypercom plans to End of Life ("EOL") the Optimum L4100 and L4105 POS terminals at the end of 2007. The EOL dates listed below signify the decline of L4100 and L4105 support and availability as follows:

- EOL is last date that Hypercom will ship the Optimum L4100 and L4105 POS terminals.
- Existing L4100 and L4105 inventory on this date will be available on a "first come, first serve" basis until inventory runs out.
- Repair support will be available for customers for 5 years from the EOL date, as component availability permits.
- There will be no new Hypercom sponsored hardware or software development after the EOL date.

Final Orders: After October 1, 2007, Hypercom will cease taking orders for the Optimum L4100 and L4105 POS terminals. Hypercom's intention is that all L4100 and L4105 product orders placed prior to October 1st will be shipped no later than December 21, 2007.

EOL Date: On December 30, 2007, all configurations of the L4100 and L4105 will be discontinued. Hypercom recommends and encourages its customers and partners begin an action plan to migrate your L4100 and L4105 products and applications to the Hypercom Optimum L4150 POS terminal.

The Hypercom Optimum L4150 provides an affordable and effective platform that meets today's most stringent PCI-PED security standards. From an FPE32 application perspective the L4100 and L4105 are identical to the L4150. A new version of FPE32 will be required to support the L4150 but applications written for the L4100 and L4105 terminals are fully compatible with the L4150. Please contact your Hypercom Sales representative for assistance in your migration efforts.

The POS industry is one of the fastest growing in the world. Constant improvements and advancements in technology encourage us to incorporate these changes for the benefit of our customers. As a global leader in the POS industry, Hypercom stands ready to assist our partners in implementing these changes. If we can assist with your migration efforts to the latest applications and terminal platforms, please contact your Hypercom representative today.

Best regards and continued success!

Tony Fernandez
VP, Multi-Lane Retail Products
Global Product Marketing