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DATA REDUCTION SYSTEMS LAUNCHES PHARMASYNC™ PILOT PROGRAM

Agreement struck at 2006 PDMA Sharing Conference

Union, NJ – October 23, 2006 – Data Reduction Systems Corp. (DRS, www.drscorp.com), a leading provider of information products and services to the pharmaceutical industry, has announced a pilot program with a major pharmaceutical company located in North America to utilize DRS PharmaSync™, a patented electronic data collection tool that simplifies the prescription drug sampling process. The pilot program will be rolled out in January, 2007.

DRS' fully-integrated sampling process was demonstrated at last week's PDMA (Prescription Drug Marketing Act) Sharing Conference in Scottsdale, Arizona. Simple and easy to use, the process begins with PharmaSync executing all tracking and distribution activities in real time, collecting relevant data from samples requests to samples disbursements using any Windows® Mobile OS device, XP Tablet or the soon to be released Windows Vista. The collected data, validated in full compliance with FDA regulatory requirements for Title 21 CFR and PDMA, then migrates wirelessly from PharmaSync™ to any Web-based or enterprise CRM system making it easier and more cost effective to share business information.

The 3-day conference also yielded verbal commitments from three additional pharmaceutical companies with interest in participating in the DRS PharmaSync Pilot Program.

"We're doing pilots now to demonstrate the total value proposition of PharmaSync," said Rick McQuade, President of DRS. "While it is true that PharmaSync manages and processes information more efficiently, its real advantage is that it does so more effectively. With patented technology and real time data synchronization, PharmaSync empowers field reps to maximize their physician marketing efforts and enables pharmaceutical companies to minimize their

sample management costs and risk...the kind of tangible benefits that provide decision makers with a total view of PharmaSync's value. Adding to this value is that any eligible company can participate in the DRS Pilot Program. For companies who are contemplating, or even currently in the process of, moving from paper processing to electronic or even moving from electronic to electronic, the DRS Pilot Program can provide an extremely cost-effective first step."

For the PDMA demonstrations, DRS utilized the products and services of two of its strategic alliance partners. Connectivity was provided by Sprint® Nextel and its line of Sprint Power Vision enabled Smart Devices. Microsoft Dynamics CRM 3.0 provided the customer relationship management tools. The ubiquitous nature of PharmaSync, however, can maximize the value of third-party hardware and software investments in two important ways:

- PharmaSync's technology runs on any Windows mobile OS device -- laptop, tablet PC, smartphone or handheld -- so there is no need to invest in new hardware.
- PharmaSync's technology quickly and seamlessly integrates with any Web-based or enterprise CRM system -- Siebel (Oracle), Microsoft Dynamics, Salesforce.com, SAP, etc., -- so there is no need to invest in new CRM software.

About Data Reduction Systems Corp

Since 1985, DRS, located in Union, NJ, has been at the forefront of new information management technologies. From its origin in micrographics to the latest innovations in digital storage, the company has always offered state-of-the-art archival and retrieval solutions to its industry partners. This business strategy has enabled some of the world's leading companies to enhance the integrity of their corporate standings through better management of their vital business records. For more information, please contact DRS at 908.687.5636 or visit www.drscorp.com

PharmaSync™, Patent Number US 6,952,681 B2, is a registered trademark of Data Reduction Systems Corporation. All other trademarks are the property of their respective owners.

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