

# FAQs for Cash in Transit

## **What is “Cash-in-Transit”?**

“Cash-in-Transit” (CIT) is the term used to describe currency in the process of being transported from one location to another. During the transport process, currency typically is placed in locked boxes and moved by trucks, vans and other vehicles. The boxes are moved in and out of banks and other institutions by hand. The boxes are often equipped with mechanisms that release dyes or other markers that stain the currency if the boxes are mishandled, treated roughly or moved outside a designated area in the case of an incident such as a robbery.

## **How big a problem is the theft of CIT?**

Currency is especially vulnerable when it is moved. Temporarily lacking the security afforded by vaults and alarms, currency is easily misappropriated. The vulnerabilities are even more pronounced in systems that do not make use of armored vehicles or heavily armed guards during the CIT process. In 2008, £500 billion of currency was transported (£1.4 billion/day) and there were 1,000 attacks against CIT couriers in the UK (BSIA).

## **What is DNA and how can it be used to deter the theft of CIT?**

Deoxyribonucleic acid (DNA) is the ultimate reality check. DNA is the genetic material that contains the instructions for the development and functioning of plant and animal organisms, and it is found in all living things. The structure or “code” of DNA is unique to the organism to which it belongs and can be used as a “tag” or “unique marker” to identify materials to which it is affixed. It is effectively “nature’s fingerprint.” Applied DNA Sciences has developed a unique form of SigNature DNA protection by developing a proprietary, patented method to create a marker or “tag” derived from botanical DNA, a 100% natural resource. This marker is mixed with the ink stored in CIT boxes. The “tag” enhances the effectiveness of the ink because DNA cannot be copied due to its enormous variability and provides forensic evidence – the ink on the money is inextricably linked to the box. The DNA “tag,” unlike the ink released by the boxes, remains on the currency as well as on anything that has come in contact with the DNA-marked ink -- clothing, mobile phones, etc. The DNA tag persists on all marked items, even after repeated exposure to aggressive solvents and washing.

## **What is unique about the solutions offered by Applied DNA Sciences?**

Applied DNA Sciences is currently the only company in the world that makes use of botanical DNA in its authentication analysis. DNA is a trusted form of forensic evidence and widely accepted as evidence by courts around the world. The potential for a false positive is in the magnitude of one in one trillion.

## **Are there other solutions offered by Applied DNA Sciences in currency or banking?**

Applied DNA Sciences offers forensic, affordable, anti-counterfeiting solutions. There are two ways that tests can be used as a forensic means to authenticate currency:

a. **Intrinsic DNA:** BioMaterial GenoTyping™ is a highly effective DNA test developed by Applied DNA Sciences to authenticate original source material, such as the specific fibers used to produce currency. This technology is effective in situations where natural materials are used, for example cotton and linen in bank notes. The DNA in a suspect bank note can be compared with the DNA in the known source material of authentic currency as one means of verifying the authenticity of the paper used to produce currency.

b. **Extrinsic DNA:** SigNature® DNA are unique, botanically derived markers or “tags” that cannot be copied and due to their enormous variability, provide forensic proof of identity for brand protection. SigNature DNA is a green, cost effective and safe technology that can also be incorporated in formulations of finished-goods.

SigNature DNA may be used in the security inks and anti-counterfeit features (such as watermarks and magnetic strips) on the printed surface or embedded in the paper of the currency. SigNature DNA cannot be washed off and in addition to allowing identification of where the stolen bank notes originated, the presence of SigNature DNA can link a suspect with stolen currency and cash box.

**Are there other security solutions offered by Applied DNA Sciences?**

APDN provides CIT companies, banks, insurance and other financial institutions with bespoke DNA solutions that can be used to protect the integrity, quality and security of a wide range of documents and products. DNA-marked security inks, including: intaglio, inkjet, thermal transfer, UV-curable, screen printed, flexographic and offset printed inks are now available.

The statements made by APDN may be forward-looking in nature and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements describe APDN's future plans, projections, strategies and expectations, and are based on assumptions and involve a number of risks and uncertainties, many of which are beyond the control of APDN. Actual results could differ materially from those projected due to our short operating history, limited financial resources, limited market acceptance, market competition and various other factors detailed from time to time in APDN's SEC reports and filings, including our Annual Report on Form 10-K, filed on December 16, 2008 and our subsequent quarterly reports on Form 10-Q. APDN undertakes no obligation to update publicly any forward-looking statements to reflect new information, events or circumstances after the date hereof to reflect the occurrence of unanticipated events.