

TeleCommunication Systems on Pace to Power Nearly 700 Billion Text Messages in 2009; Averaging Over 2 Billion Messages per Day

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Signs Multi-Quarter Contract With Leading Wireless Carrier to Support Messaging Efforts

ANNAPOLIS, MD, Dec 29, 2009 -- TeleCommunication Systems, Inc. (TCS) (NASDAQ: TSYS), a leading provider of mission-critical wireless communications, today announced the company's Short Message Service Center (SMSC) application running on platforms in wireless carriers' networks is set to process close to 700 billion text messages by the end of 2009 and is poised to handle the tremendous surge in messaging forecasted for this holiday season. TCS' messaging software has already powered approximately 480 billion messages through the third quarter of this year, surpassing the expected two billion messages per day mark. The company expanded its deployed messaging platform base by nearly 30 percent in 2009, as TCS wireless carrier customers continue to experience and forecast strong growth in text messaging. According to a recent report from Frost and Sullivan, the text messaging demand is estimated to increase by more than 50 percent in 2010.

Based on latest growth trends, TCS messaging software in carrier customers' networks is expected to power well over two and a half times the volume it handled in 2008 by the end of 2009. Additionally, TCS expects the upcoming 2009 New Year's Eve busiest hour spike to be nearly three times the spike of last year.

TCS is also pleased to announce that it has signed another multi-quarter capacity agreement with its largest commercial customer to extend support for the continued rapid rate of text messaging growth. This agreement, as well as record license sales for TCS in 2009, illustrates that text messaging is seemingly recession-proof, with continued significant growth expected in 2010.

"Our largest commercial customer has again shown its confidence in our messaging applications by committing to purchase a large amount of capacity through the end of 2010," said Drew Morin, TCS Chief Technology Officer and Senior Vice President. "This validates the reliability of our messaging platform and its ability to easily scale to support rapidly growing text message volumes within the world's largest carrier networks. This solution is performance engineered to withstand extremely high spikes in traffic. We look forward to setting a new record in messages processed over the holiday season, as well as enabling new innovative applications over the coming year."

A key driver of text messaging growth is social media. Social networking applications are playing a large role in driving Short Message Service (SMS) growth beyond rates initially envisioned, as more and more consumers have recognized the power of SMS integrated with social media applications as a cost effective and timely method of communicating with their network of friends, family and business associates. Twitter is one such application that TCS expects will continue to play a major role in driving future SMS growth. According to a recent statement by the co-founder of Twitter, "There are over one billion people with Internet access on the planet but there are more than four billion people with mobile phones and Twitter can work on all of them because even the simplest of these devices feature SMS."

TCS' next-generation Short Message Service Center (SMSC) offers flexible deployment options and allows operators to configure its systems to meet customer messaging traffic needs. The TCS next-generation SMSC supports store and forward, first delivery attempts and voting capabilities over standard air interfaces and over mobile broadband.

About TeleCommunication Systems, Inc.

TeleCommunication Systems, Inc. (TCS) (NASDAQ: TSYS) engineers and delivers highly reliable wireless communications technology. TCS is a leader in wireless text messaging and location-based technology, including E9-1-1 services and commercial applications like navigation that use the precise location of a wireless device, and secure satellite-based communications systems and services. Customers include leading wireless and VoIP carriers around the world, cable MSOs, automotive telematics vendors, and agencies of the U.S. Departments of Defense, State, and Homeland Security. TCS is one of six primary vendors on a \$5 billion Army Worldwide Satellite Systems Contract vehicle. For more information, visit www.telecomsys.com.

Except for the historical information contained herein, this news release contains forward-looking statements as defined within Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended. These statements are subject to risks and uncertainties and are based upon TCS' current expectations and assumptions

that if incorrect would cause actual results to differ materially from those anticipated. Risks include without limitation the possibility that the contract will not be fully funded, and those detailed from time to time in the Company's SEC reports, including the report on Form 10-K for the year ended December 31, 2008, and Form 10-Q for the quarter ended September 30, 2009.

Existing and prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to update or revise the information in this press release, whether as a result of new information, future events or circumstances, or otherwise.

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