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FOR IMMEDIATE RELEASE

(Tempe, Arizona 15 January 2009)

Smith Enterprise, Inc. (SEI) announces today that it has entered into a settlement agreement with the United States Army for infringement of SEI's patented Vortex® brand flash hidens. This agreement requires the US Army to pay to SEI an undisclosed sum for past infringement of the SEI patent as well as a royalty for all new flash hidens it makes that utilize SEI's patent.

"We are pleased that the Army has taken responsibility for its actions," said SEI's President Ron Smith, "We will defend out intellectual property rights against all infringers, even the United States Government."

This settlement resolves the Army's liability for making 13,422 infringing flash hidens that were produced for the Army by FN and used on the M240 machinegun.

For additional information, please contact Ron Smith at 480-964-1818

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