



Axalto Makes Internet Banking Secure with Two-Factor Authentication Solution

Plug-and-play solution reinforces security, reassures users and fights identity fraud over the Internet

Cartes tradeshow, Villepinte, France, November 16, 2005 – Axalto (Euronext NL0000400653 AXL), the world's leader in microprocessor cards, today showcased its two-factor authentication solution Protiva™ to reinforce confidence in Internet banking. Two-factor authentication greatly enhances Internet banking security by combining something the user has, such as a personal device, and something the user knows, such as a PIN code. With Protiva, Axalto addresses the dual issue of costly user password management and most common identity frauds that proved to be a major barrier to the expansion of banking transactions over the Internet.

Protiva solution delivers a one-time password application implemented onto the very secure and flexible smart card core technology. Protiva solution is plug and play as it does not require any PC footprint nor a complex back end system, making it simple to deploy and very cost effective for banks.

“Traditional authentication solutions based on user ID and static passwords are not sufficiently secure and can be easily hacked, guessed or stolen, resulting in exponential rise in online identity theft. Password problems are also a strong expense line for banks helpdesk as every password-related call triggers an average 12 US dollars cost. With Protiva two-factor authentication solution, Axalto provides banks with an easy-to-deploy and cost effective solution to address those challenges while reinforcing end users' confidence in their on line services.” commented Bertrand Knopf, banking director at Axalto.

Axalto's Protiva solution protects the network identity of online users by combining the security strength of smart cards with a one-time password application (a unique 8 digit number created each time a user connects) for secure logon. The smart card stores the application and the secret keys that are used to encrypt and send the one-time password to the bank. An authentication server performs the same cryptographic computation as the smart card device and verifies that the one-time password matches.

About Axalto

Axalto (Euronext: NL0000400653 AXL) is the world's leading provider of microprocessor cards (Gartner 2005, Frost & Sullivan 2004) — the key to digital networks — and a major supplier of point-of-sale terminals. Its 4500 employees come from over 65 nationalities and serve customers in more than 100 countries, with worldwide sales exceeding 3 billion smart cards to date. The company has 25 years' experience in smart card innovation and leads its industry in security technology and open systems.

Axalto continuously creates new generations of products for use in a variety of applications in the telecommunications, finance, retail, transport, entertainment, healthcare, personal identification, information technology and public sector markets. Microprocessor cards provide convenience, security and privacy to public and private services operators, their customers and end users.

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