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CARDLOGIX INTRODUCES A NEW TYPE OF ATM CARD

Washington D.C. April 27, 2004 -- CardLogix, a leader in smart cards and software, today announced the **ATMobility™** platform, a cost effective secure solution featuring a smart card, handheld reader and server-side software. This is a first-of-its-kind card solution that protects against fraud and theft at a practical cost. **ATMobility** works in regular debit card environments, ATM machines and with a home PC. For on-line account logon, after insertion of the smart card and entry of a PIN, **ATMobility** generates a one-time number set instead of the password itself. With the entry of these numbers for logon, account access is achieved without exposure of personal data to the PC and the Internet. The **ATMobility** solution incorporates readers from AOS-Hagenuk of the Netherlands, and is being demonstrated at the CardTech/SecurTech show in Washington D.C. in AOS-Hagenuk's Booth # 1043. The two companies have signed a teaming agreement to sell readers and cards around the world.

A Guard Against PC, Network and ATM Attacks

Personal financial access has never been easier, or more risky. Malicious code (viruses, worms, trojan horses, and spyware programs) are often downloaded to home PCs through email attachments or disreputable websites to spy on a user's browsing and banking habits for fraudulent purposes. Through these programs, personal and account information can be exposed to unauthorized parties. Once this data is captured, it is used to steal the owner's identity and funds.

The customer's breach of trust with the bank is an increasing liability for financial institutions. Physical ATMs are prey to magnetic-stripe sniffing and visual PIN interception, resulting in fraud and Identity Theft. Thieves use every method from over-the-shoulder PIN surfing to photographing a PIN directly from a hidden camera at the ATM. **ATMobility** prevents these attacks by producing a one-time use challenge and response session between card and server at the ATM. The secret key in the card's chip prevents card cloning and server spoofing.

On-line fraud and theft have reached epidemic levels worldwide. Last year alone, over 160,000 people in the U.S. were victims of Identity Theft. At the same time, the volume of web transactions has dramatically increased, with personal information and account numbers used for everything from reservations to banking. To secure the burgeoning volume of Internet transactions, Secure Socket Layer (SSL) evolved into the standard protocol for web security and encompasses multiple cryptographic algorithms. These algorithms are designed to encrypt and protect user and account information activated when a user's browser communicates with one or more web servers. Despite this and other safeguards, at any junction along its path, including the user's PC, the data complete with passwords can be spied on and replayed fraudulently.

More

Only by making sure that critical logon data is only generated by the bank's own servers, can banks and credit unions hope to keep the data completely safe. In addition to the costs of recovering from fraud and preventing it, **ATMobility** improves password management. The solution enables a cardholder to use a single PIN for basic account access. Because of the superior storage and processing power of the smart card, the Platinum version of the platform also stores Passwords for other on-line accounts, reducing the inconvenience and cost of forgotten/lost passwords. The high security smart card used in **ATMobility** provides Two Factor Authentication that confirms that the card and user are legitimate. Server-side software modifies the log-on screen to accept card and reader data.

More about ATMobility

ATMobility is available now. Sample solutions are available, as well as an on-line demonstration at www.atmobility.com . For more information, contact CardLogix at sales@cardlogix.com and +1 (949)380 -1312. A version of **ATMobility** for GSM cellular telephone access is planned for later this year.

About CardLogix

CardLogix is the leading U.S. supplier of smart cards and software for the transaction of data and value. Since 1998 CardLogix has provided smart card platforms for solutions in financial, security, retail, and healthcare applications worldwide. For more information, go to www.cardlogix.com.

About AOS-Hagenuk

AOS Hagenuk is a leading innovator and supplier of low cost multifunctional secure terminals used in financial, health, security (access) and retail applications. Solutions include both on-line and off-line smart card reader systems based on leading industry standards and specifications. In addition the company provides customized product designs. The company delivers such end-user products through an ever-expanding network of OEM partners, VARs, and specialized distributors. Further information can be found on our website www.aos-hagenuk.com .

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