AudioSmartCard

**the leading provider of
acoustical authentication security system**

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Authentication market

According to MetaGroup,

the Authentication market will represent 3.7 Billion dollars in 2003 and is the fastest growing security area after firewalls.

E-Commerce handicap

Shoppers have Security concerns

- Currently the existing logon security for a general public computer is simply a logon and a password
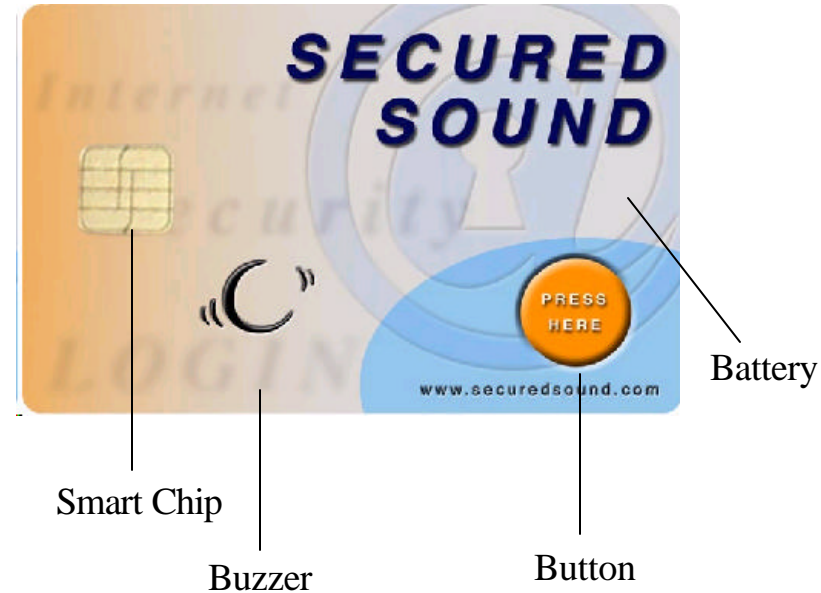
Merchants have to Invest

– Available solutions using dynamic codes require special readers in addition to the smart card which makes the solution more expensive

AudioSmartCard Solution

Use of Sound Smard Card

- Advantage of smartcards
- Plus strong authentication
- One card to replace numerous logins and passwords

Smart Chip

Buzzer

Battery

Button

Leverage on existing infrastructure

- No specific readers
- Use of PC, Laptop, and Telephone

…with the highest level of security available today…

ASC's solution provides the highest level of electronic security by creating a <u>wireless smart card system</u> with 3 key elements:

- **Hardware** - the Audio SmartCard

- **Software** - emits 400-bits **non-repeating encrypted acoustical signals** with usage limited to 16,400 pulses, making it significantly more difficult to breach than other devices which may have more bits encryption but with unlimited usage.

- **Personal Pin Code** (clicked on via mouse or phone pad)

Sound Card applications

- **Over the phone**
  - Recharge prepaid phone cards
  - Purchase goods and services and transact with banks
- **Over the internet (through computer microphone)**
  - Control access to computers and networks
  - Secure payments
- **On personal computer**
  - Encrypt, sign files and e-mails

Products

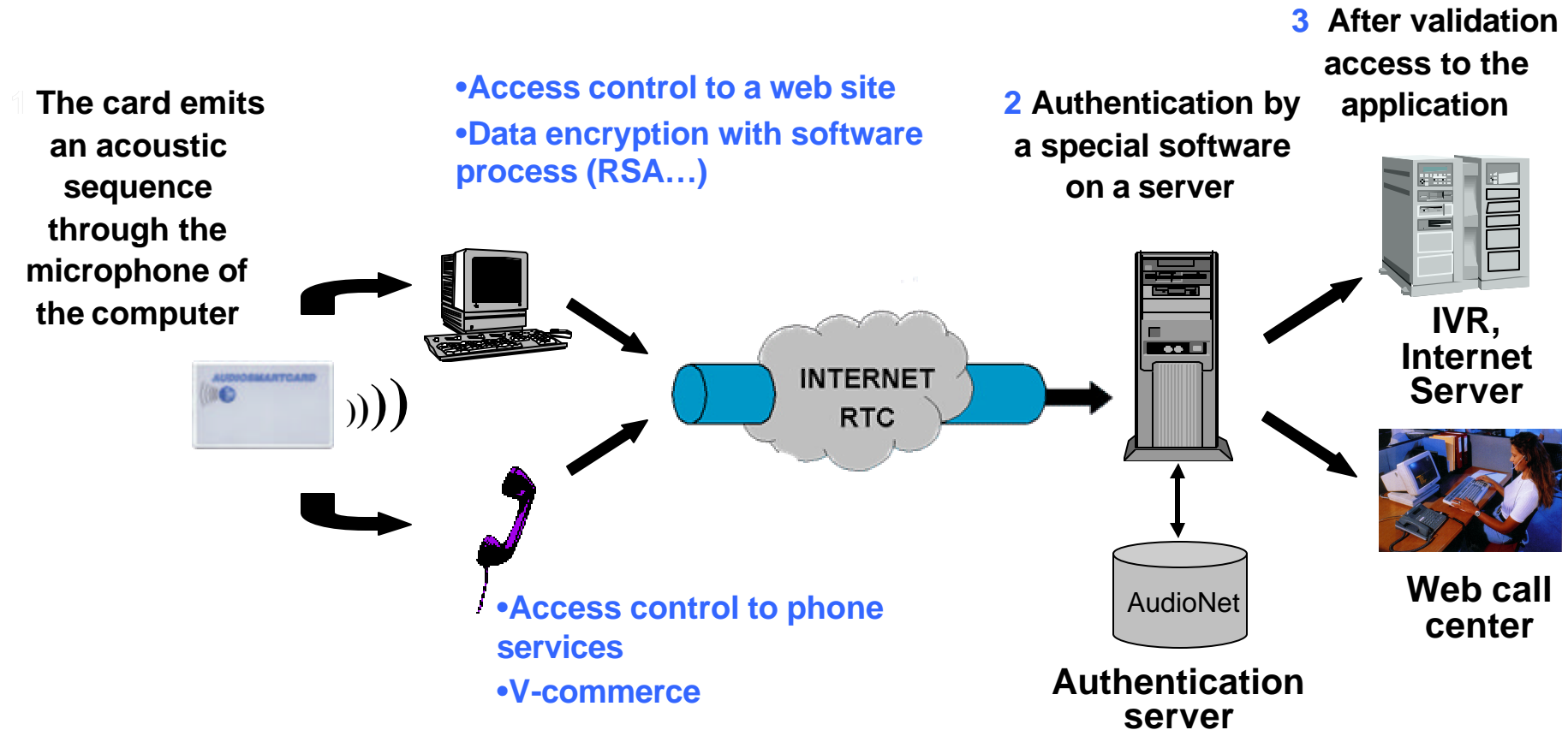# ASC developed specific product for the different markets

- **Audionet**
  - Authentication over the phone
  - Payment over the phone

- **Authentication – "Secured Sound Pack"**
  - Access control Windows by the audio
  - Access control on the Web without third party verification
  - Access control on the Web with third party verification
  - Secured payment with Web authentication

- **AudioCrypt**: the encryption of files

Audionet: Payment over the phone

1 The card emits an acoustic sequence through the microphone of the computer

- **Access control to a web site**
- **Data encryption with software process (RSA…)**

2 Authentication by a special software on a server

3 After validation access to the application

AUDIOSMARTCARD

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INTERNET RTC

AudioNet

Authentication server

IVR, Internet Server

Web call center

- **Access control to phone services**
- **V-commerce**

AudioSmartCard for Telcos

- **For customers - *Increase security and user friendly***

  – No more need to enter multi-digits numbers for authentication or answer personal questions prior to reaching the service center.

  – The authentication code is unique and encrypted.

- **For providers - *Optimization of time savings for call operators***

  – Nor more need to ask personal questions to identify the customer. ***Estimated time saved per call : 2 minutes***

  – Security level will remain high with his pincode as ASC card has to be in customer's possession and acoustic card code is dynamic

"Secure Sound Pack"

The Secure Sound Pack ("SSP") is a card and a software package enabling the user to secure
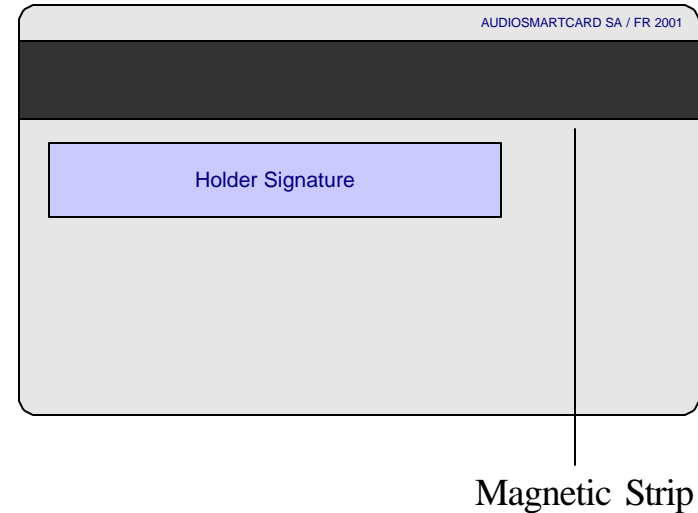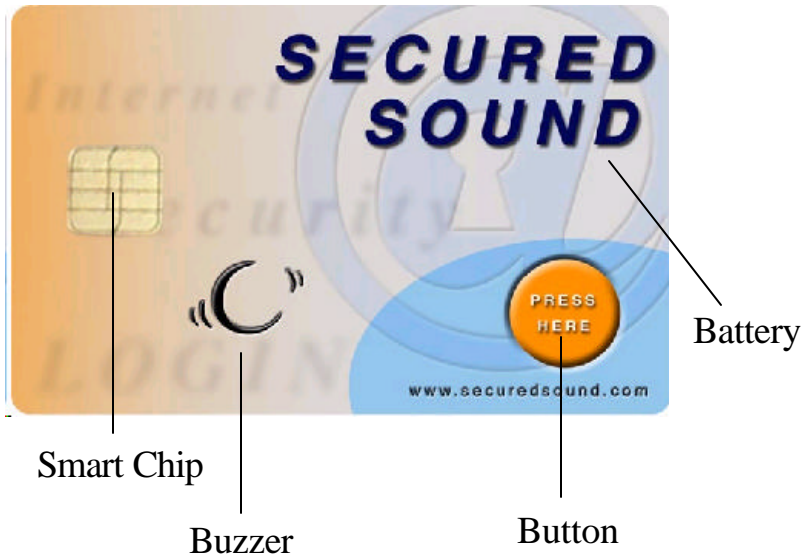
- Windows Logon (working on Windows 2000, NT, XP)

- Files encryption.

- Internet multi-log – Access to multiple online application with the card.

11   *Confidential*

AudioSmartCard Devices (1/2)
ISO Model

AUDIOSMARTCARD SA / FR 2001

Holder Signature

Battery

Smart Chip

Buzzer

Button

Magnetic Strip

Card Specifications

Product Family	:	Secured Sound
Card Size	:	0.8 x 54 x 84 mm (ISO 7816 Standard)
Sound Generated	:	Encrypted FVK (54 Digits in 760ms)
Network supported	:	Standalone, Computer over Intranet, Computer over Internet
Duration	:	2 years or 14600 uses (limited in chip)
PinCode	:	Built-in and also available through online services

Key advantages for the final user?

- User-friendly
- The user configures his PIN which he/she can later change
- High level of security as no information is stored in the card and the authentication signal is never the same
- Only one device to store numerous logins and passwords
- Works for authentication through the existing phone, mobile and computer systems
- Will work through other devices (PDA…)

Technology

Significant barrier to entry

AudioSmartCard's solution is protected by:

- A minimum of 2-year period for product development for other entering the market.

- More than 17 patents protecting the technology and its usage

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Business model

Each target market by has huge growth potential

| Segments	ASC prospects	Distribution channels	Final users
Audionet	Banks Telecom operators	Direct or through integrators	Individuals
Corporate applications Intranet/Extranet	E-commerce companies Departments of large corporations	Network integrators	Customers of retail companies Employees
Online Service	E-commerce companies	Network integrators	Individual users Employees
OEM	Editors	Direct	Companies for their Xnet

Actual distributors

- Agreements are signed with :
  - **Business & Decisions** (France & Switzerland) : Audiosmartcard solution provider
  - **Prosodie** (France) : reseller to banking institutions for authentication over the phone
  - **WebSmart** (Canada) : objective of 100 000 cards in 2001
  - **SAP** (Roumania) : @card center to be implemented
  - **DataCard** (Germany) : manufacturer of card printer
  - **AudioTel SA** (Argentina) : banks integrator
  - **IBM** : secured sound pack
  - NEC : (Japan)

Audionet Customers
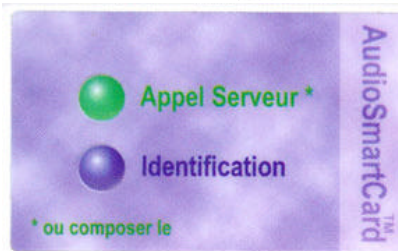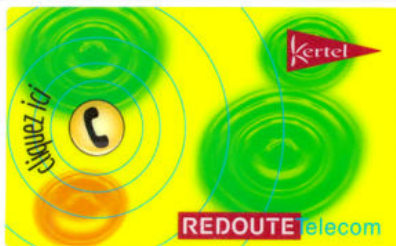
Company

Contacts

If you have any questions please contact

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We note that the financial projections and statements regarding potential business arrangement made in this summary are based on assumptions deemed reasonable by management. However there is no assurance that such projections or statement will prove correct.