

17<sup>th</sup> November 2009

**2009: The Smart Cards Industry demonstrated resilience to the economic downturn and continued to grow in volume for high-end microprocessor cards. Eurosmart anticipates another year of growth in volume of about 10% for 2010.**

Information and Communication Technologies (ICT) continued to gain a strong momentum in 2009 despite the economic slow down. Our industry demonstrated that its role in making citizens' digital life more secure and more convenient is more than ever on the critical path for strategic markets such as Telecom, Payment, eGov, Enterprise IT and Transport. The focus on Security remained a top priority for all stakeholders: 4.4 Billion units of Smart Secure Devices were shipped in 2009, a 5.1% growth versus 2008, and we anticipate that number to grow again by 9.9% in 2010 to exceed 4.8 Billion units.

In 2009, major milestones were achieved by all major market segments:

Telecom:

- In addition to its successes as a service platform for 2G and 3G networks, the UICC (SIM cards) is now part of the LTE (4G) plans with early deployments. The multiplication of connected devices (cell phones, netbook PCs, GPS) and the emergence of NFC (contactless) will continue to fuel the growth of the Telecom segment in both volumes and value.
- The anticipated migration to 3G for key markets like China will bring a very positive impact to our industry.
- The Machine-to-Machine (M2M) communications market experienced its early wins in 2009 in areas like automotive diagnostics.

Financial Services & Retail:

- Contactless Payment cards continued to be adopted worldwide, bringing Banks, Retailers and Transport operators to develop innovative co-branded programs.
- EMV migration programs have been multiplied in 2009, in anticipation to the EMV adoption mandates in the medium term.

Government & Healthcare programs:

- Government Identity and travel documents continue to go digital worldwide, opening new opportunities to develop services for citizens leveraging on these infrastructures.

Memory cards now represent a small portion of our industry and do not have a significant impact both on volumes and revenues. It demonstrates that, in addition to materialize Security, Smart Secure Devices are personalized "computers" ideally suitable to enable a secure and trustworthy ICT experience for Billions of citizens around the World. Eurosmart anticipates that the industry will grow thanks to those e-Services that will need to connect citizens and their service providers with Security, Convenience, Privacy and Trust.

The following tables show (1) worldwide volumes shipments in Millions Units (Mu) for both 2009 and 2010 by market segments and (2) the portion of those that are contactless cards.

**(1) Eurosmart figures – 2009 and 2010 forecasts  
Cards (Millions of Units - Mu)**

	2009 global forecasts (November 2009 update)			2010 global forecasts		
	Memory	Microprocessor		Memory	Microprocessor	
			2009 vs 2008			2010 vs 2009
Telecom	300	3 300	+3,1%	200	3 600	+9.1%
Financial services- Retail- Loyalty	30	730	+12.3%	30	810	+11.0%
Government- Healthcare	170	160	+14.3%	150	190	+18.8%
Transport	160	40	+33.3%	160	50	+25.0%
Pay TV	-	100	0,0%	-	110	+10.0%
Others (including Corp. ID)	80	70	+7.7%	80	75	+7.1%
<b>Total</b>	<b>740</b>	<b>4 400</b>	<b>+5.1%</b>	<b>620</b>	<b>4 835</b>	<b>+9.9%</b>
<b>TOTAL</b>	<b>5 140</b>			<b>5 455</b>		

**(2) Secure Contactless market figures – 2009 and 2010 forecasts**  
(excluding access control and ticketing)

	Secure Microprocessor Contactless (Mu) in 2009	2009 vs 2008	Secure Microprocessor Contactless (Mu) 2010 forecast
Financial Services	110	+10.0%	140
Government – Health care	75	+25.0%	90
Transport	40	+33.3%	50
Others	30	-	30
<b>TOTAL</b>	<b>255</b>	<b>+15.9%</b>	<b>310</b>

The table above represents mainly cards and keyfobs used for Payment, Government ID and Transport applications. Moving forward, a significant portion of Mobile NFC Services will be accounted inside the SIM card figures. The SIM card is now a standardized secure element for service provisioning and for applications hosting in the mobile phone. Multiple pilots trials of Mobile Payment and Mobile Mass Transit services will materialize in mass deployments over the next few years.

## **What is Eurosmart?**

Eurosmart is an international non-profit association located in Brussels and representing the Smart Security Industry for multi-sector applications. Founded in 1995, the association is committed to expanding the world's Smart Secure Devices market, promoting Smart Security standards and continuously improving quality security applications and services.

Eurosmart members are suppliers and manufacturers of smart cards, semiconductors, terminals, equipment and technology for Smart Secure Devices, system integrators, application developers, issuers, associations, laboratories and independent experts. They work into dedicated working groups (communication, marketing, security, electronic identity, new form factors, and prospect emerging markets).

Eurosmart is acknowledged as representing "the Voice of the Smart Security Industry" and is largely involved in political and technical initiatives as well as research and development projects at the European and international levels.

Eurosmart members are companies (Atmel, Austriacard, FNMT-RCM, Gemalto, Giesecke & Devrient, Infineon Technologies, Ingenico, Inside Contactless, NedCard, NXP Semiconductors, Oberthur Technologies, Precise Biometrics, Renesas, Sagem Orga, Samsung, STMicroelectronics, Toshiba, Zetes), payment systems (GIE Cartes Bancaires, MasterCard), laboratories (FIME), associations (Smart Payment Association) and independent experts (Jean-Pierre Delesse).

For more information, please visit [www.eurosmart.com](http://www.eurosmart.com)

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