

Welcome to the December 2010 edition of the Multos International News Alert.

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D-PAS EMV Card Application for Diners Club International® and Discover® now available on MULTOS

Discover Financial Services (NYSE:DFS) is a payment services and direct banking company and one of the most recognized payment brands in the US. The acquisition of Diners Club International in 2008 brought a global payments network and some exciting international card issuing and acceptance opportunities. With the acquisition came the additional challenge of now operating in regions where other payment brands and card issuers have already migrated to smart card (chip-based) technology, complying with EMV standards. This challenge, along with increasing cardholder awareness in those markets, necessitated Discover to embark on a program to offer EMV chip card security and enhanced card functionality to issuers on the Diners Club International, Discover, and PULSE® networks. In order to meet this requirement, the D-PAS card application functional specification was released.

This evolution of the card product to include EMV security technology coincides with the global reinvigoration of the Diners Club International brand and a continued focus to delivering on the brand promise to members of enriched experiences, superior services and exclusive privileges.

Working closely with Discover, Multos International developed a card application to meet the D-PAS specification and has been

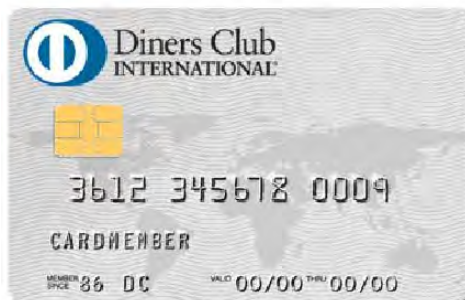
supporting several of the early Diners Club issuer field trial projects. Multos International's implementation of the D-PAS application has completed both the functional and security certification and we are pleased to officially release the first approved D-PAS application

to the market. D-PAS for MULTOS is available on our MULTOS MC1-36K platform and offers integrated payment functionality in a single application (SDA, DDA, CDA; up to 15 transaction profiles to allow the Issuer to tailor card behaviour depending on the transaction environment). The application is already supported by the leading dataprep/personalization vendors. Demonstrating our commitment to DPAS and Discover, Multos International will introduce additional products in 2011 expanding the D-PAS application availability onto

additional memory sizes to meet alternative market needs.

With a significant volume already being introduced for a European region Diners Club card issuer, Multos International is ready to work with all Diners Club, Discover, and PULSE issuers on their EMV issuing needs.

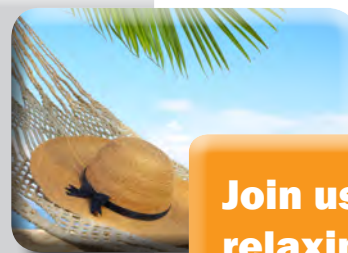
Please contact your local sales representative for more information.



Multos International will be present at Cartes 2010.

Visit our booth and have a relaxing time learning how MULTOS makes payment and identity card issuing easy.

Make sure you also join us for our cocktail on Tuesday December 7th at 5:00pm at the MULTOS Consortium booth 4N 066.



Join us for a relaxing time at Cartes 2010

Customer news: allpay



Allpay, a leading UK payments specialist, has recently expanded its portfolio of products and services by accrediting its premises and systems to MasterCard and Visa standards. Investment in its Card Manufacturing and Bureau arm has enabled the introduction of MasterCard and Visa Chip & PIN Cards to its product range.

The heightened security, flexibility and cost effectiveness provided by MULTOS were critical determinants in allpay's decision to use MULTOS technology to help its conversion from magnetic stripe to chip cards.

The visible structure, speed to market and great support provided by Multos International were key factors to the success of the transition, said Marshall Haldane, allpay's Head of Card Services.

Multos International is pleased to be working with allpay in bringing its payments technology to the UK market. A range of projects are expected to deliver in excess of 1Mpcs of MULTOS devices to UK issuers in the coming 18 months.



ii2P Password Management

Southlake, Texas-based ii2P (integrity, innovation, people) LLC is an IT self-service company that has developed an intriguing solution to manage the average person's vast array of personal credentials. It uses a MULTOS smart card or smart token to securely store, retrieve and auto-populate one's IDs and passwords, providing strong authentication for corporate intranet applications, Internet URLs and desktop applications. This combination of convenience and heightened security virtually eliminates all calls to a Service Desk for password reset. With ii2P's solution, the user just has to remember his 4-digit PIN and he or she can forget everything else. Additionally, ii2P provides users with a custom portal with a content library, metrics monitoring and user acceptance measurements. When asked about this new product, the President and CEO, Steve Carter, responded,



We wanted our product to be based on the most reliable and secure smart card OS in the industry; and of course, the search led us directly to MULTOS.

About ii2P, LLC - ii2P specializes in providing IT self-help solutions, such as help desk support and content management, as well as the design and implementation of self service tools, including password management. ii2P's products and services help deflect service desk calls and deliver the needed information to the end users, all resulting in an end-to-end solution with lower costs and improved end user satisfaction. In this environment of self direction and independent action, ii2P offers customized self-help portals, process optimization, and password management solutions. ii2P solutions are scalable and affordable for small companies or large enterprises across all verticals.

Multos International Team



Name: Doug Black
Originally from: Philadelphia, PA, USA
Based in: Saint Paul, MN, USA
How long have been working with Multos International. Over 1 year

Position: I am Vice-President of Business Development for the US and Mexico, looking after new business development as well as supporting and growing sales in the existing customer base. My focus is on working closely with our partners, customers and new opportunities to ensure that MULTOS is 'top of mind' with leading

card manufactures, processors and solution providers.

What are you working on presently?

My main focus at present is:

- Ensure Multos International is available to all US issuers and processors
- Support the growth of MULTOS in Mexico
- Ensure that leading processors can personalize and work with the broad range of Multos International's product set.
- Provide solution focused support to MULTOS developers and integrators

Best piece of advice you have ever heard:

"Don't take any wooden nickels" -Dad

Banks in Venezuela choose MULTOS



Many banks in Venezuela have begun the process of migrating their payment cards to EMV. It is an impressive feat by the technical teams, in the banks and the local organizations supporting them, to have adopted and embraced the EMV technology in such a short amount of time. The impetus behind this focus and energy is due to the banking industry jointly working with the government to ensure strong mandates are in place for migration to the more secure EMV chip cards for bank cardholders.

With a target of being ready for smart card issuance before the end of 2010, this obviously required some serious action to analyze solutions that could both reduce project risks while allowing flexibility for future requirements and yet achieve the fastest time to market. This was a key factor that led to solutions from Multos International to be chosen by a number of the largest issuers in the country. Using MULTOS technology has proven to those banks the security, flexibility and cost effectiveness of the platform and importantly, meeting the

stringent timeframes required to deliver a working product into the market. Three of the top banks in Venezuela have selected MULTOS as their main platform for their MasterCard and Visa card issuing, Banco de Venezuela, Bicentenario and BBVA Provincial have already started the migration based on MULTOS. This is a great result and now brings 7 of the top 10 banks in Venezuela using MULTOS technology. This again highlights the strengths of MULTOS products in the region, with the top banks in most of the markets moving first to EMV such as Mexico, Colombia and now Venezuela, choosing to go with MULTOS technology.



Supporting these banks in Venezuela and a key partner in Latin America is NEWTECH Solutions. Newtech brings a deep knowledge of MULTOS and the right technical expertise to support EMV issuers with the tools and know-how to ensure a smooth and successful project. Having recently joined the MULTOS Consortium, Newtech continues to drive the technology in the region and is a welcome new member of the vibrant and growing consortium.

Transit market in Brazil

Public transport in Brazil is well known for its secure and reliable infra-structure using contactless cards. Digicon, a Brazilian company based in the South, has been providing solutions in this market in numerous systems all over the country, since 1996. With a pedigree in high precision measuring systems and aerospace components, Digicon brings innovation to their products to meet customer needs through a total solution approach, including software, controls and the security environment. With customers including government institutions and transport operators, Digicon aims to bring added value to their solutions that can be easily extended to cardholders.



storage of keys and executing the cryptographic algorithms during each transaction. Digicon has chosen MULTOS as its smart card platform for the SAM devices, due to its industry leading position in security solutions and high performance. Development of the application that executes on the MULTOS card was performed in-house by the Digicon technical team, using the free MULTOS SDK.



We are thrilled to be using MULTOS products in our system design and continue to work with Multos International on our new offerings. And now with local Brazil-based commercial and technical support, we are more confident than ever in our decision, said Luciano Moreira, Product Manger of Digicon.

At the heart of the highly secure system is a small device called a SAM (Secure Access Module) - a secure smartcard with dedicated functionality, that is responsible for interfacing to the cardholder transit smart card. The SAM has several system-critical functions, such as

Richard Cusson, Managing Director of Multos International, added "It is testament to our products that show MULTOS is a solution that is extremely flexible and suitable for a vast range of possible end use solutions. What's more, Digicon were up and running quickly with their own solution and we wish them well with their further success in the transit market in Brazil."

2011 Product Outlook

2011 is poised to be another busy and exciting year for Multos International as we move to introduce an enhanced range of products, bring new applications to the market and expand our secure hosted services offerings. The first sign of what's to come is via some new MULTOS and MULTOS step/one masks. We will offer greater choice in our SDA contact step/one products (adding 16K and 32K options), that are proving to be a great success against proprietary native offerings.

We are also expanding our range to include new DDA dual-interface products (adding 20K memory option) which along with our 12K and 36K products we aim to maintain our position as one of the leaders in the contactless and multi-function banking/transit market. Related to the contactless developments, the options for packaging will expand to include contactless stickers, for those banking customers looking to bring mobile banking to

their cardholders, without undergoing the pain of waiting for NFC handsets or dealing with multiple telcos in each market. Moving onto our application offerings, we have already announced availability of the D-PAS application for Diners Club International and Discover – the first fully approved product on the market. We are also working on the latest M/Chip Advance development which brings additional features to our already feature-packed MICA (M/Chip4 Integrated) offering.

In addition to all this, keep an eye out for announcements of regional applications to meet the emerging needs of specific markets (the first one will be J/Smart 2.0 for JCB issuers, with PBOC following quickly). So as you can see, we are really increasing the scope and frequency of new product developments on our MULTOS family. Contact your sales representative to find out more information.

Multos International Product Offering

 <p>Contactless</p> <table border="1"> <tr> <td>MULTOS IF1 (SDA)</td> <td>MULTOS I4F/ML1 (DDA)</td> </tr> </table> <p>8K - 80K</p>	MULTOS IF1 (SDA)	MULTOS I4F/ML1 (DDA)	 <p>Contact DDA</p> <table border="1"> <tr> <td>MULTOS I4E (DDA)</td> <td>MULTOS MC1 (DDA)</td> </tr> </table> <p>8K - 68K</p>	MULTOS I4E (DDA)	MULTOS MC1 (DDA)	 <p>Contact SDA</p> <table border="1"> <tr> <td>MULTOS step/one SC1 (SDA)</td> <td>MULTOS step/one ID1 (SDA)</td> </tr> </table> <p>4K - 32K</p>	MULTOS step/one SC1 (SDA)	MULTOS step/one ID1 (SDA)
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MULTOS I4E (DDA)	MULTOS MC1 (DDA)							
MULTOS step/one SC1 (SDA)	MULTOS step/one ID1 (SDA)							

Interview with Affiliate - StepNexus



Name: Robert Lloyd

Based in: Warrington, UK

How long have been working with StepNexus? 4 years.

Position: My role is to manage the Product Portfolio for Services and Solutions. This involves Interfacing with Development, Marketing and Sales teams to identify and fulfil customer and market requirements and derive new services to ensure a strong link with the strategic dimension of the group to achieve our objectives.

Main projects you have been/will be involved with:

- Key Management Authority (KMA) projects to

support banking and national ID projects in Hong Kong, Turkey and Japan.

- Development of our EMV CA product and service offerings for both hosted and licensed solutions.
- New secure infrastructure hosting services and initiatives.

What are you working on presently?

- New StepServer KMA opportunities
- Various hosted EMV CA solution implementations
- Plug-in additions to our hosted CA offer to open new channels for our customers to offer their end customers
- Identifying ways to maximise the value of the secure site and packaging for sales team

Best piece of advice you have ever heard:

“it’s not a problem, it’s an opportunity”